GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:3549
ANSWERED ON:17.04.2000
REFORMS IN THE POWER SECTOR
DEVENDRA PRASAD YADAV

Will the Minister of POWER be pleased to state:

(a) : whether any exercise has been made by the Government recently to analyse the achievements or otherwise of the goals of power reforms taken up in the country;

(b) : if so, the details thereof;

(c) : the details of the main causes identified for failure of the power reforms programme in achieving the desired results stating the areas of unsatisfactory performance; and

(d) : the remedial steps taken in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRIMATI JAYAWANTI MEHTA)

(a) & (b) : Yes, Sir. So far five states namely Orissa, Haryana, Andhra Pradesh, Karnataka and Uttar Pradesh havepassed their Reform Acts and unbundled their Electricity Boards. Only Orissa has privatised distribution. Rajasthan has passed its Reforms Act but it is yet to be implemented. Besides this fourteen States namely Orissa, Andhra Pradesh, Haryana, Karnataka, UP, Arunachal Pradesh, Tamil Nadu, Delhi, Madhya Pradesh, Punjab, Maharashtra, Rajasthan, Gujarat and WestBengal have notified constitution of State Electricity Regulatory Commissions. However, tariff orders have been issued only by Orissa State Electricity Regulatory Commission.

(c) : Orissa is the only state to have privatised its entire distribution. The performance of distribution companies has begin to show improvement despite extensive damage caused to systems by the Super Cyclone. It is expected that the distribution companies will start making current payment for their power purchase by the end of the current year thereby achieving financial viability. In respect of other states it is too early to assess the impact of reforms.

(d) : Government of India has taken a proactive role in reforming State Electricity Boards so that they function on commercial lines. Power Ministers Conference held on26.2.2000 resolved that reform must be undertaken with determination, vigor and a sense of urgency. The key elements of the Reforms Strategy are:

(i) Energy audit at all levels;

(ii) Time bound program of 100% metering of all consumers by December 2001;

(iii) Reduction and finally, elimination of power theft within a specified time frame.

(iv) Strengthening/upgradation of sub transmission and distribution system by taking sub station as a limit on a priority basis.

If above appears unattainable in the existing Act Corporatisation/Co-privatisation/Privatisationo f distribution would have to be undertaken.